



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

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M E M O R A N D U M

#08-06

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: November 2, 2007

**SUBJECT: ALL INTERNAL CHECKING ACCOUNTS--PAYMENTS TO
INDIVIDUALS FOR SERVICE--FORM 1099**

According to IRS guidelines, **all** Form 1099 reportable payments to vendors must be consolidated into one filing on magnetic media from the Division of Accounting. Any state organization that files a paper 1099 is subject to a **\$50.00 fine/penalty** for each form submitted to the IRS.

In order to consolidate the 1099 filing, the TN99 table was established within DFMS. Using the attached instructions, organization personnel will make all input into this table. Due to time constraints for issuing 1099s, information must be entered into the TN99 table no later than **Thursday, January 3, 2008**. A report, F25Y4605, 1099 DATA ENTRY TRANSACTIONS LISTING BY DEPT/ORG, will be generated from the data that is entered and made available to you in Mobius for verification. Please notify your State Accountant at the Division of Accounting, immediately, of any errors or discrepancies.

Any individual who currently enters information in the SVEN table will automatically be able to enter information in the TN99 table. **If any individual needs access to the TN99 table, please contact your organization Information Security Officer (ISO).**

Please note the following concerning entry of information into the TN99 table:

1. If you did not make any reportable payments from your internal checking accounts, please enter the State of Delaware's E.I. number 516000279TN in the E.I./S.S.N. block, your department and organization, and zero (0) dollars in the miscellaneous block.

2. Include payments from petty cash accounts as well as payments from internal checking accounts (**ALL** applicable payments other than ones made through DFMS must be included).
3. If multiple payments have been made to the same vendor, please consolidate the payments into one account. Report only **one** amount per vendor.
4. The general rule is that a 1099 must be filed if total payments, to individuals and/or partnerships for services, are \$600 or more. However, you must report **all** payments to individuals (including state employees and/or partnerships) for services, **regardless** of the amount. These individuals may have performed services for other state agencies either through DFMS or other internal checking accounts.
5. All payments made for medical or legal services **must** be reported, even if the vendor is a corporation. In that case, please enter P in the S.S.N./P field.
6. If a vendor entered in the TN99 table exists in the DFMS vendor file, VEND, the address in VEND is the address that will be printed on the 1099. Please verify that the address in VEND is correct.

JURY DUTY FEES

If it is your policy for employees to turn in jury duty payments, please submit, via e-mail or fax, a list of the employees' names, addresses, social security numbers and the amount returned. This information will enable us to adjust the system and prevent those payments from being reported for those individuals.

ELECTION/POLL WORKERS

In accordance with IRS Regulation, separate W-2's will be generated for these payments for state employees, regardless of amount received. All other election/poll workers must meet the \$600 limit before a W-2 is generated.

If you have any questions, please contact Jerry Minner at (302) 672-5526, fax number (302) 739-1200 or e-mail: jerry.minner@state.de.us

TLN:ed

Attachments (2)

- Data Entry Instructions to TN99 Table
- Sample TN99 Table

DATA ENTRY OF FORM 1099 INFORMATION INTO THE TN99 TABLE

* **ACTION:** A **TABLEID:** **TN99:** **USRID:** Your **DFMS** security code

E.I./S.S.N.: Social Security number of individual plus 2-digit suffix (usually 01)

DEPT: 2-digit department code

ORGN: 4-digit organization code

NAME: Leave blank, entry at bottom of screen

NAME2: Name of business – “doing business as” (DBA)

** **ADDR LINE1:** Address of individual

ADDR LINE2: Additional address information – if needed

*** **ADDR LINE3:** City and State (use standard abbreviation)

ZIP: 5-digit zip (zip plus 4 is optional)

AMT(S): MISC (miscellaneous income), RENT (rental income), INTEREST (interest income),
(Enter consolidated amounts from internal checking accounts)

STATE EMPL: **Y** for state employee, **N** for non-state employee

S.S.N./P: **S** for Individual or Sole Proprietorship, **P** for Partnership

FOREIGN CNTRY IND: **Y** if foreign, **N** if not foreign

ALPHABETIC NAME-TYPE: **I** if an Individual, **B** if a Business

NAME: last name first name middle initial

* Appropriate **ACTION** codes are:

A	Add to TN99
C	Change or correct an existing TN99 table
S	Scan TN99
R	Refill TN99
N	Next blank TN99
E	Exit TN99

** When filing in address information, please omit punctuation such as commas/periods.

*** City and state must be on ADDR LINE3.

SAMPLE TN99 TABLES

ACTION: x SCREEN: xxxx USERID: xxxx
1099 TABLE
KEY IS EMPLOYEE ID/SOCIAL SECURITY NO., DEPARTMENT AND ORGANIZATION
01-
 E.I./S.S.N.: xxxxxxxxxx xx DEPT: xx ORGN: xxxx
 NAME:
 NAME2: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 ADDR LINE1: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 ADDR LINE2: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
 ADDR LINE3: xxxxxxxxxxxxxxxxxxxxx xx xxxxx xxxxx
 (COUNTRY/CITY STATE ZIP)
AMT(S): MISC: xxxxxxxxxxxxxxxx RENT: xxxxxxxxxxxxxxxx INTEREST: xxxxxxxxxxxxxxxx
 STATE EMPL: x S.S.N./P: x FOREIGN CNTRY IND: x

ALPHABETIC NAME-TYPE: x (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE FORMAT)
 LAST FIRST MIDDLE
 NAME: xxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxx xxx

ACTION: A SCREEN: TN99 USERID: FRED
1099 TABLE
KEY IS EMPLOYEE ID/SOCIAL SECURITY NO., DEPARTMENT AND ORGANIZATION
01-
 E.I./S.S.N.: 123456789 01 DEPT: 10 ORGN: 0801
 NAME:
 NAME2: DBA CONN ARTIST
 ADDR LINE1: 678 PAINTER'S COURT
 ADDR LINE2:
 ADDR LINE3: DOVER DE 19901 0678
 (COUNTRY/CITY STATE ZIP)
AMT(S): MISC: 0.00 RENT: 40378.95 INTEREST: 0.00
 STATE EMPL: N S.S.N./P: P FOREIGN CNTRY IND: N

ALPHABETIC NAME-TYPE: I (IF "I" ==> TYPE NAME IN LAST FIRST MIDDLE FORMAT)
 LAST FIRST MIDDLE
 NAME: CONN CONNIE C